Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

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Contents

The next release is Aug. 24, '06

WEEKLY HIGHLIGHTS

PNW Corn Export Inspections Highest in Over 2 Years

Although total **export inspections** were down almost 22 percent from last week, corn export inspections in the Pacific Northwest (PNW) were 64 percent higher. About 13.1 million bushels of corn were inspected - representing the highest weekly level of corn inspections in the PNW since June 3, 2004. Shippers transported about 11 million bushels of the corn inspected this week in the PNW to Taiwan and Korea.

High Diesel Prices Exacerbate Driver Shortage

High **diesel prices** are exacerbating problems in the trucking industry. According to the American Trucking Associations, there is a national shortage of about 20,000 drivers. The shortage may worsen as mounting fuel costs force many truck owner-operators out of the market, further tightening resources in the trucking industry.

Strong Atlantic Market Drives Up Ocean Freight Rates

Strong demand to move minerals and grains, particularly in the Atlantic market, has been driving up ocean freight rates. In the prior 3 weeks, the Gulf-to-Japan rate has risen by 9 percent, while the PNW-to-Japan rate has increased by 11 percent. During the same period, the spread between the two rates has grown by 5 percent.

Low Water Conditions Expected to Continue…

Low water conditions on the Mississippi and Ohio Rivers are expected to continue for the near term until the region gets much needed rain. Conditions on the Mississippi River have prompted the U.S. Coast Guard to issue an advisory that requires barge operators to run fewer barges per tow with lighter loads. On the Upper Mississippi River from St. Louis south, the maximum draft for northbound loads is 9 ft.; southbound 9.6 ft.

…As Barge Rates Remain Elevated…

Barge rates will likely stay at elevated levels due in part to current low water conditions on the Mississippi and Ohio Rivers. Barge rates are increasing more for the lower Mississippi River than the upper Mississippi or Illinois River. The increased demand for barges on the lower Mississippi indicates that barge companies are concentrating activities on that section while waiting for better operating conditions on the upper Mississippi.

…And Grain Movements Shift From Barge to Rail

High barge rates and low water levels on the Mississippi and Ohio Rivers have contributed to more grain being shipped by rail. Consequently, rail grain deliveries to the Mississippi Gulf were up 59 percent from last week. For the 4 weeks ending August 9, rail deliveries to **Mississippi Gulf ports** were 370 percent above the same period last year. Rail deliveries to **PNW ports** were 15 percent above the same 4 weeks last year and 55 percent above the 4-year average.

Fall Agricultural Transportation Outlook: Grain Transportation Demand Expected to Remain Strong

Increased total projected usage of corn, sorghum, soybeans and wheat indicates that grain transportation demand will remain strong for the 2006/07 crop year. The August 11, 2006, USDA World Agricultural Supply and Demand Estimates project that 2006/07 total usage of the top four U.S. grain crops will increase to nearly 17.2 billion bushels, which is 3.6 percent more than the prior crop year. Total domestic use is projected to increase 4.2 percent, while exports are projected to increase 1.7 percent.

Feature Article/Calendar

U. S. Corn and Soybean Exports to Japan:
Strong Inspection Numbers Emerge for the Mississippi Gulf

In terms of quantity and proportion, an increasing amount of corn and soybeans is being exported to Japan via the Mississippi Gulf. From January to July 2005 (before Hurricanes Katrina and Rita made landfall), 71 percent of corn and 81 percent of soybeans inspected for export to Japan were inspected in the Mississippi Gulf (tables 1 and 2). During the same period this year, those percentages jumped to 79 and 93 percent.

According to USDA inspection data, corn is primarily exported to Japan through two major port regions – the Mississippi Gulf and the Pacific Northwest (PNW) (table 1). Corn inspections in the PNW have fallen from nearly 2.7 million metric tons during the first seven months of 2005 to a little more than 2 million during the same period this year. In contrast, an additional 1.2 million metric tons of corn were inspected in the Gulf for export to Japan.

Soybean exports to Japan are inspected through four port regions – the Mississippi Gulf, the PNW, the Atlantic region, and the Great Lakes region (table 2). From January to July 2005, about one-fifth of soybeans exported were inspected in the combined port regions of the PNW, Atlantic, and the Great Lakes. During the same period this year, the proportion of soybean inspections through those three port regions has fallen to less than one-tenth.

A closer look at transportation indicators provides insight into this marked shift in inspection numbers. The cost of transportation by all modes - truck, barge, and ocean - through the Gulf began to decrease substantially during the early part of 2006. For example, modal transportation cost comparisons for shipping corn from Minneapolis to Japan indicate that total transportation costs as a percentage of landed costs (farm value plus total transportation) were nearly identical between the PNW and the Gulf during the 1st quarter of 2006. Previously, total transportation costs as a percentage of landed costs had been significantly higher through the Gulf (see the feature article in the July 13, 2006 GTR). The decrease in the ocean rate spread between the PNW and the Gulf also likely contributed to increasing exports from the Gulf.

Another issue that could explain the shift in corn and soybean exports to Japan is capacity constraints in other port regions. Consider PNW ports - from January to July 2006, more wheat was shipped through the PNW when compared to the same period last year (see table 16 in the Aug 3, 2006 GTR). Thus, fewer transportation resources may have been available in the PNW for other grain exports. Also, a shift in corn and soybean exports to Japan is consistent with the overall increase in agricultural export activity in the Mississippi Gulf. Following last year's devastating port situation in the aftermath of Hurricanes Katrina and Rita, this presents a positive outlook for export activity in the Gulf and for shippers looking at transportation prospects for this season. Anetra.Harbor@usda.gov

Table 1: Inspections of Corn Destined for Japan by Port Region (1,000 Metric Tons)

	-----Jan through July 2006-----			-----Jan through July 2005-----		
	Gulf	**PNW**	**Total**	**Gulf**	**PNW**	**Total**
January	1,044	288	1,331	1,007	228	1,235
February	857	338	1,194	939	255	1,194
March	1,534	431	1,965	1,042	437	1,479
April	965	98	1,063	957	371	1,327
May	1,021	301	1,322	745	547	1,293
June	1,179	248	1,428	1,061	583	1,645
July	1,140	300	1,441	768	239	1,006
YTD	**7,740**	**2,005**	**9,745**	**6,520**	**2,660**	**9,180**
% Total	**79%**	**21%**	**100%**	**71%**	**29%**	**100%**

Source: USDA, Federal Grain Inspection Service

Table 2: Inspections of Soybeans Destined for Japan by Port Region (1,000 Metric Tons)

	----------Jan through July 2006----------					----------Jan through July 2005----------				
	Gulf	**PNW**	**Atlantic**	**Lakes**	**Total**	**Gulf**	**PNW**	**Atlantic**	**Lakes**	**Total**
January	284	8	26		318	219	9	32		260
February	161				161	225				225
March	298		26		324	261	8	32		301
April	181				181	153				153
May	171	9		17	198	178	84		19	281
June	225		26		251	106	67	33		206
July	215				215	128	9	0		137
YTD	**1,533**	**17**	**79**	**17**	**1,649**	**1,271**	**176**	**97**	**19**	**1,563**
% Total	**93%**	**1%**	**5%**	**1%**	**100%**	**81%**	**12%**	**6%**	**1%**	**100%**

Source: USDA, Federal Grain Inspection Service

Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

Week ending	Truck	Rail[2]	Barge	Ocean Gulf	Ocean Pacific
08/16/06	206	270	316	202	237
08/09/06	205	242	318	195	227

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

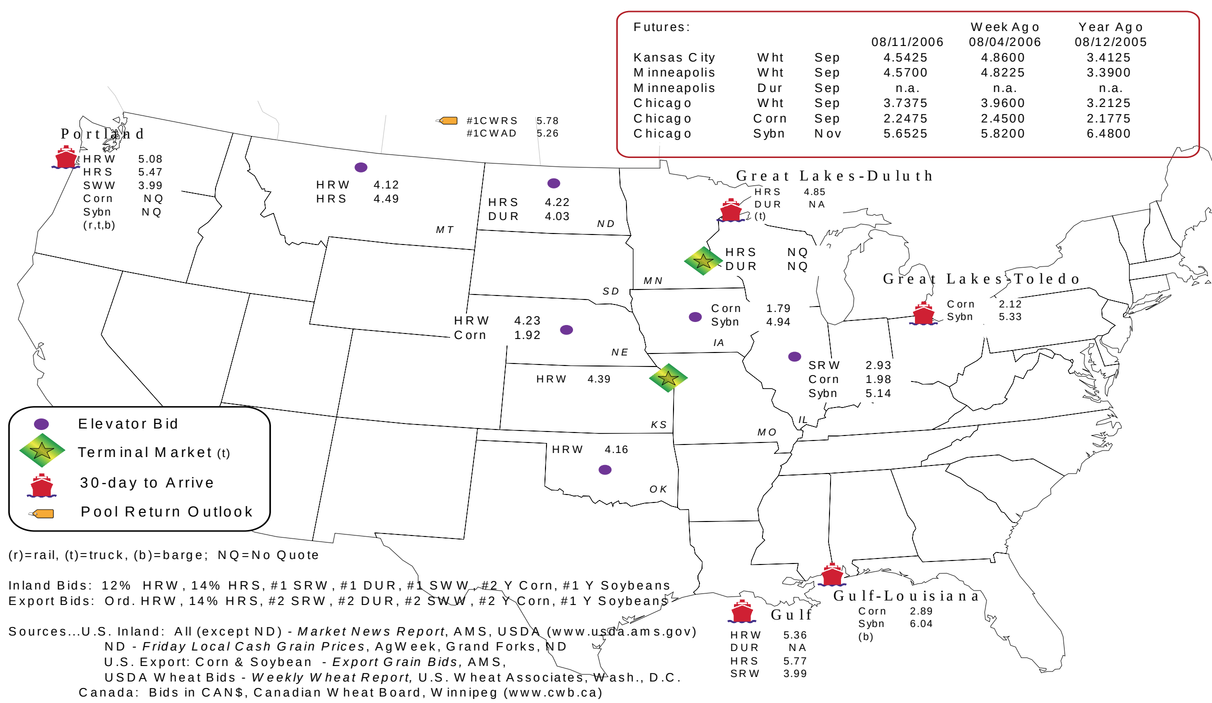
Commodity	Origin--Destination	8/11/2006	8/4/2006
Corn	IL--Gulf	-0.91	-0.81
Corn	NE--Gulf	-0.97	-0.89
Soybean	IA--Gulf	-1.10	-1.13
HRW	KS--Gulf	-0.97	-0.89
HRS	ND--Portland	-1.25	-1.25

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1

Grain bid summary



Rail Transportation

Table 3

Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
8/9/2006[p]	2,446	1,175	375	4,070	624	8,690
8/2/2006[r]	1,538	982	450	4,603	471	8,044
2006 YTD	49,780	64,140	26,995	130,106	14,162	285,183
2005 YTD	27,969	55,366	39,701	134,020	7,898	264,954
2006 YTD as % of 2005 YTD	178	116	68	97	179	108
Last 4 weeks as % of 2005 [3]	470	54	60	115	735	114
Last 4 weeks as % of 4-year avg.[3]	n/a	63	72	155	285	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

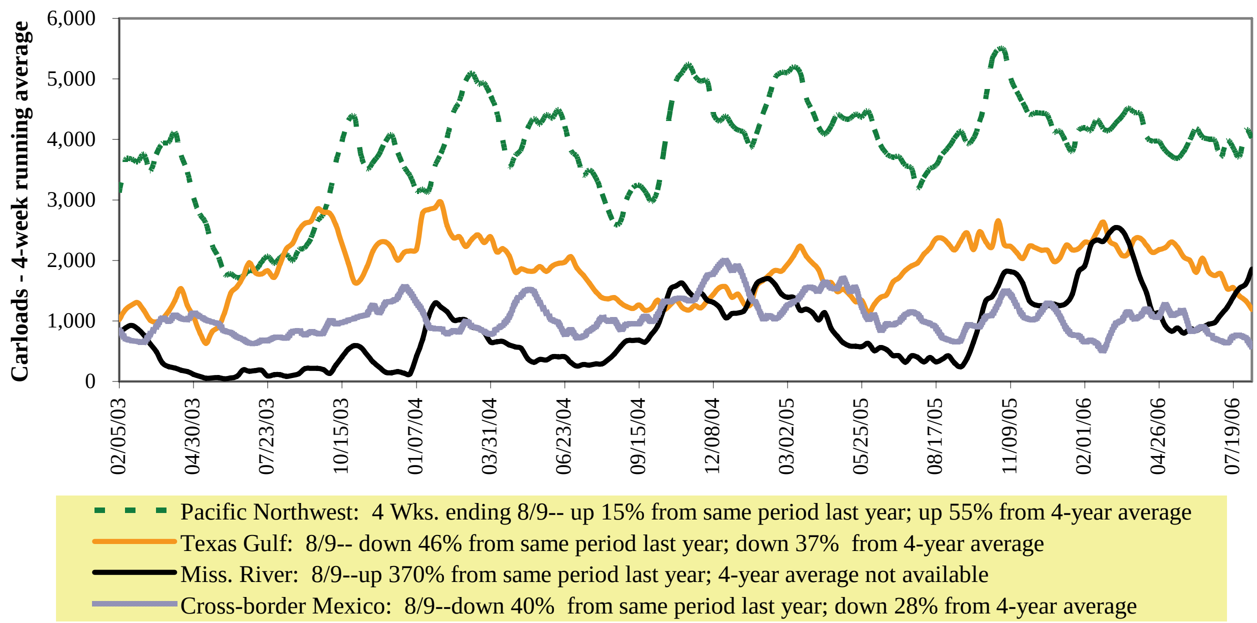
YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

Rail Deliveries to Port



Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

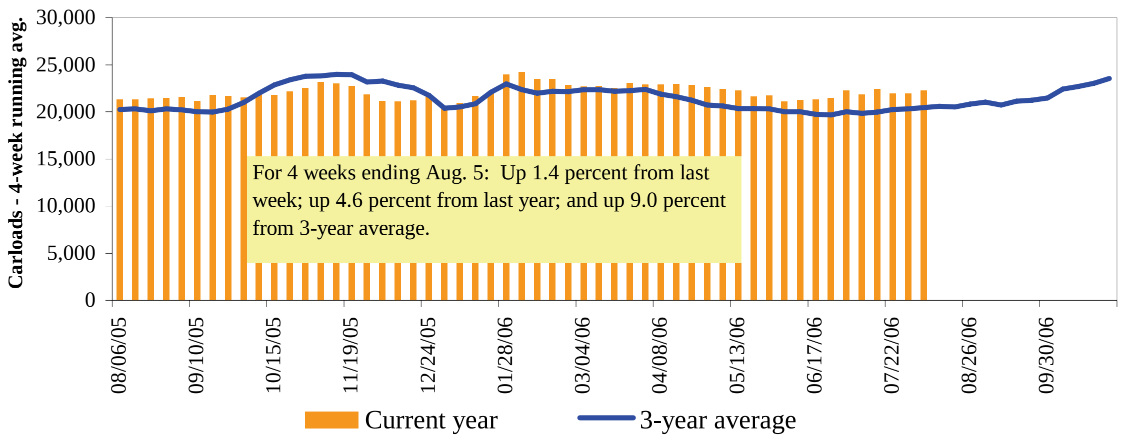
Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
08/05/06	3,030	3,467	9,760	477	5,543	22,277	5,024	4,234
This week last year	2,510	2,956	8,885	371	6,752	21,474	4,189	4,637
2006 YTD	95,920	100,571	300,587	17,618	183,120	697,816	146,597	135,130
2005 YTD	91,730	101,738	280,180	17,878	184,974	676,500	127,533	124,012
2006 YTD as % of 2005 YTD	105	99	107	99	99	103	115	109
Last 4 weeks as % of 2005[1]	115	109	110	114	90	105	127	106
Last 4 weeks as % of 3-yr avg.[1]	122	104	124	112	88	109	123	106
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period									
8/12/2006	Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	n/a	no offer	no offer	no offer	no offer	no offer	372	no offer	n/a
COT grain single-car[5]	no offer	n/a	no offer	n/a	no offer	n/a	15..33	n/a	0..3	n/a
UP[4]										
GCAS/Region 1	no offer	n/a	no offer	no offer	no offer	137	no offer	no offer	no offer	n/a
GCAS/Region 2	no offer	n/a	no offer	no offer	325	381	no offer	no offer	no offer	n/a

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

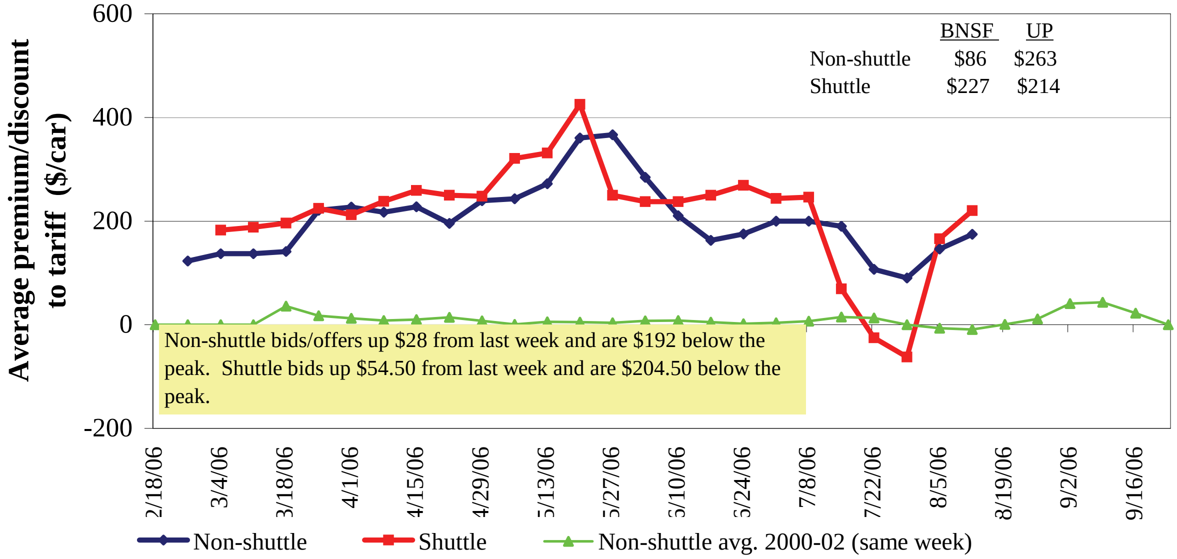
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

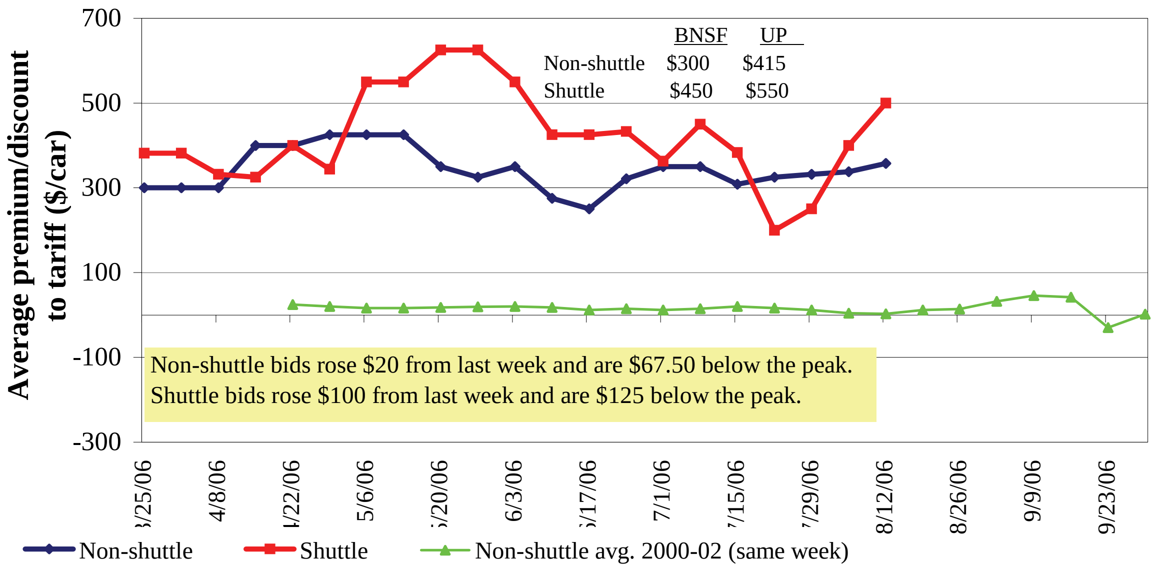


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market

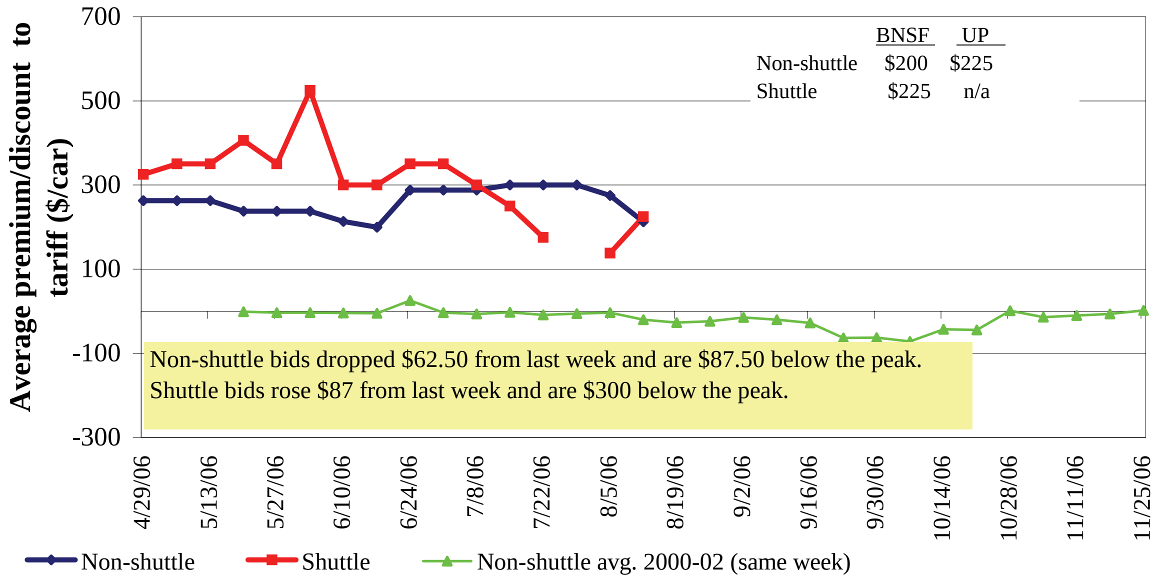


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.
Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	Delivery period					
8/12/2006	**Sep-06**	**Oct-06**	**Nov-06**	**Dec-06**	**Jan-07**	**Feb-07**
Non-shuttle						
BNSF-GF	86	300	200	125	n/a	n/a
Change from last week	-15	0	-75	-125	n/a	n/a
Change from same week 2005	-339	-125	-154	-183	n/a	n/a
UP-Pool	263	415	225	225	n/a	n/a
Change from last week	71	40	n/a	n/a	n/a	n/a
Change from same week 2005	-31	90	-50	-50	n/a	n/a
Shuttle[2]						
BNSF-GF	227	450	225	100	n/a	n/a
Change from last week	26	50	87	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	214	550	n/a	n/a	n/a	n/a
Change from last week	83	150	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 8/7/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,349	116	$47.94	$1.30
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$1,920	105	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 08/07/06					**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

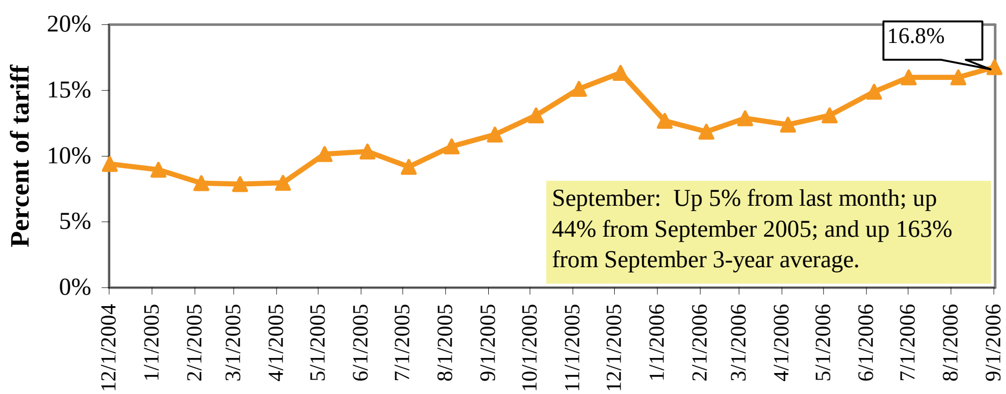
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7.

Railroad Fuel Surcharges, North American Weighted Average[1]



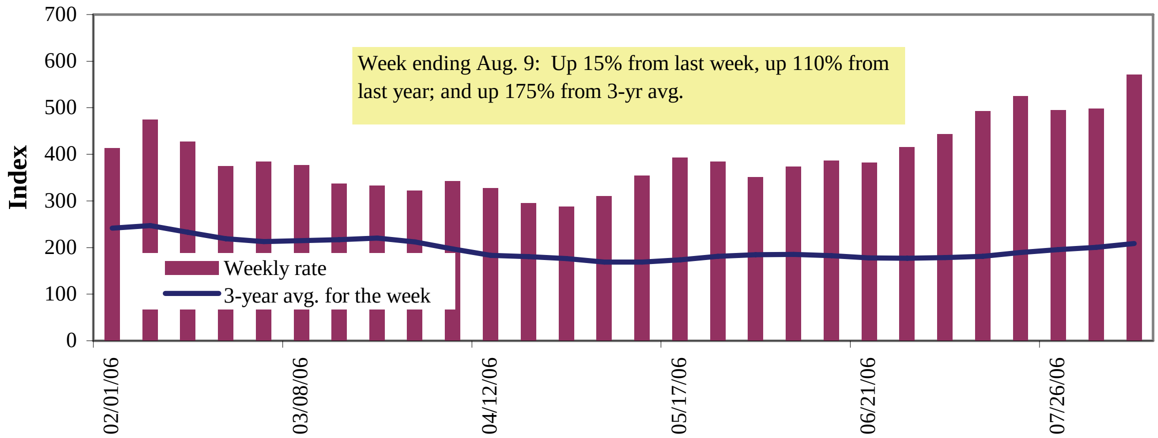
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	8/9/2006	595	566	572	560	551	551	568
	8/2/2006	602	522	498	490	460	463	466
$/ton	8/9/2006	36.83	30.11	26.54	22.34	25.84	22.26	17.84
	8/2/2006	37.26	27.77	23.11	19.55	21.57	18.71	14.63
Current week % change from the same week:								
	Last year	71	93	110	104	120	116	119
	3-year avg. [2]	129	156	175	206	208	207	234
Index	September	638	644	648	639	651	641	652
	November	624	554	545	503	514	514	486

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

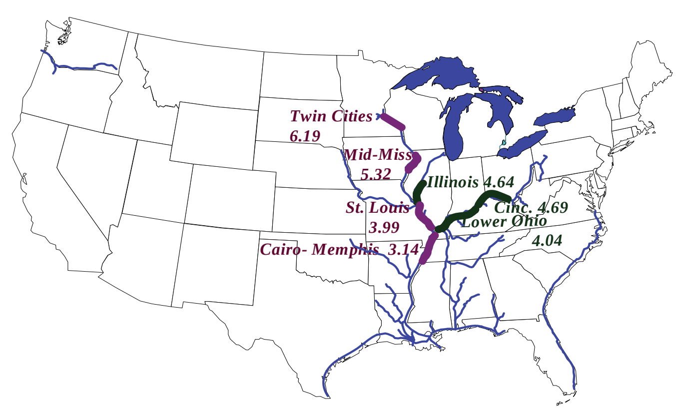
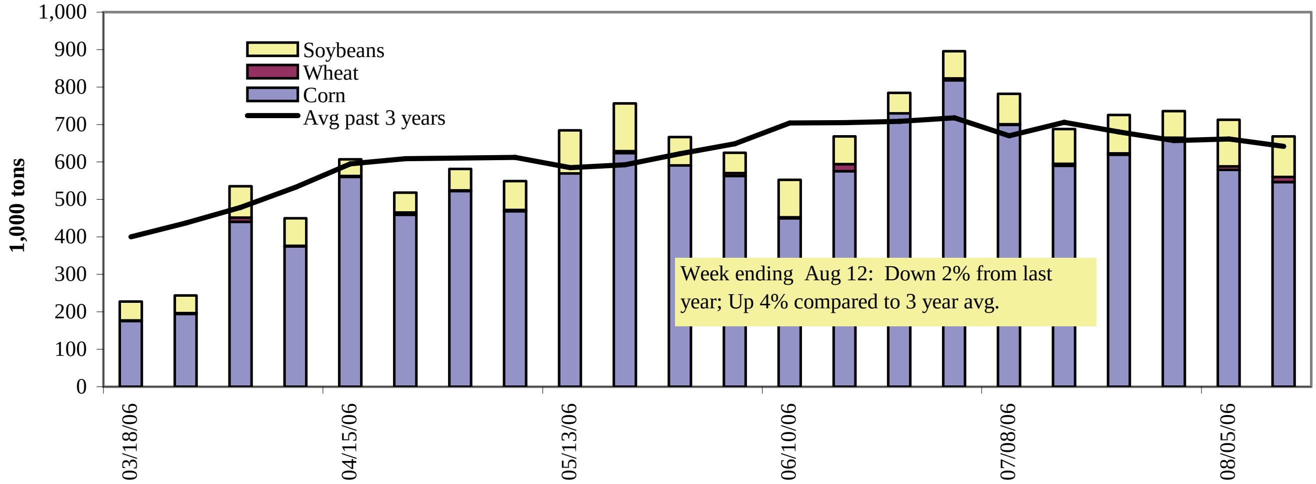


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/12/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	277	15	57	0	349
Winfield, MO (L25)	380	14	97	0	491
Alton, IL (L26)	580	14	131	0	725
Granite City, IL (L27)	546	14	108	0	686
Illinois River (L8)	151	15	57	0	223
Ohio River (L52)	17	12	21	0	50
Arkansas River (L1)	0	27	3	14	43
Weekly total - 2006	563	53	131	13	761
Weekly total - 2005	652	54	73	19	797
2006 YTD[1]	17,058	839	3,981	450	22,328
2005 YTD	14,977	1,097	4,383	455	20,912
2006 as % of 2005 YTD	114	76	91	99	107
Last 4 weeks as % of 2005[2]	104	122	150	78	110
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

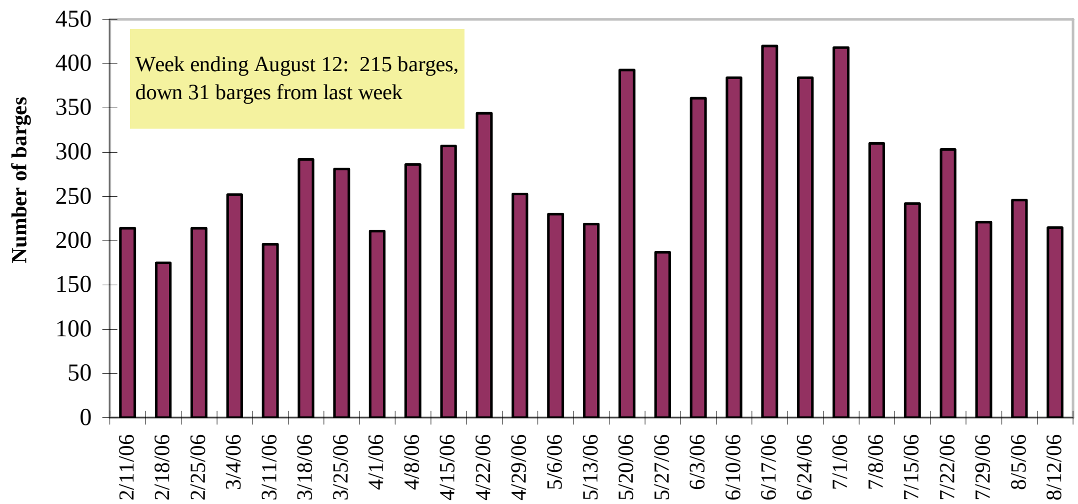
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

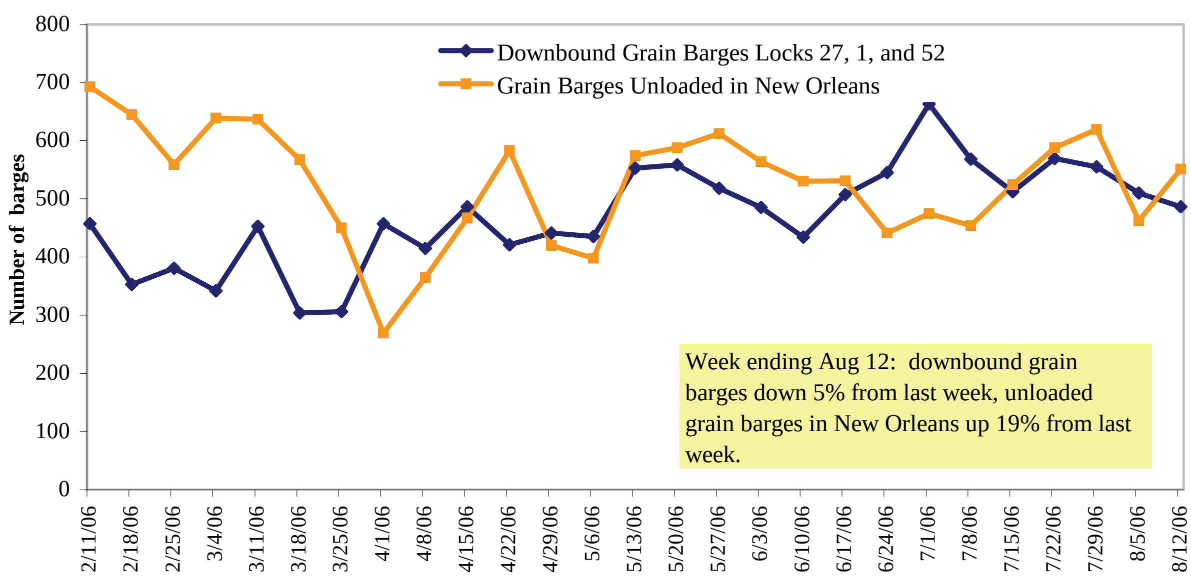
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 8/14/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	3.017	-0.009	0.473
	New England	3.077	0.016	0.459
	Central Atlantic	3.130	0.026	0.497
	Lower Atlantic	2.964	-0.025	0.465
II	Midwest[1]	3.065	-0.005	0.541
III	Gulf Coast[2]	2.974	-0.014	0.493
IV	Rocky Mountain	3.311	0.103	0.696
V	West Coast	3.218	0.105	0.327
	California	3.220	0.090	0.178
Total	U.S.	3.065	0.010	0.498

[1]Diesel fuel prices include all taxes.

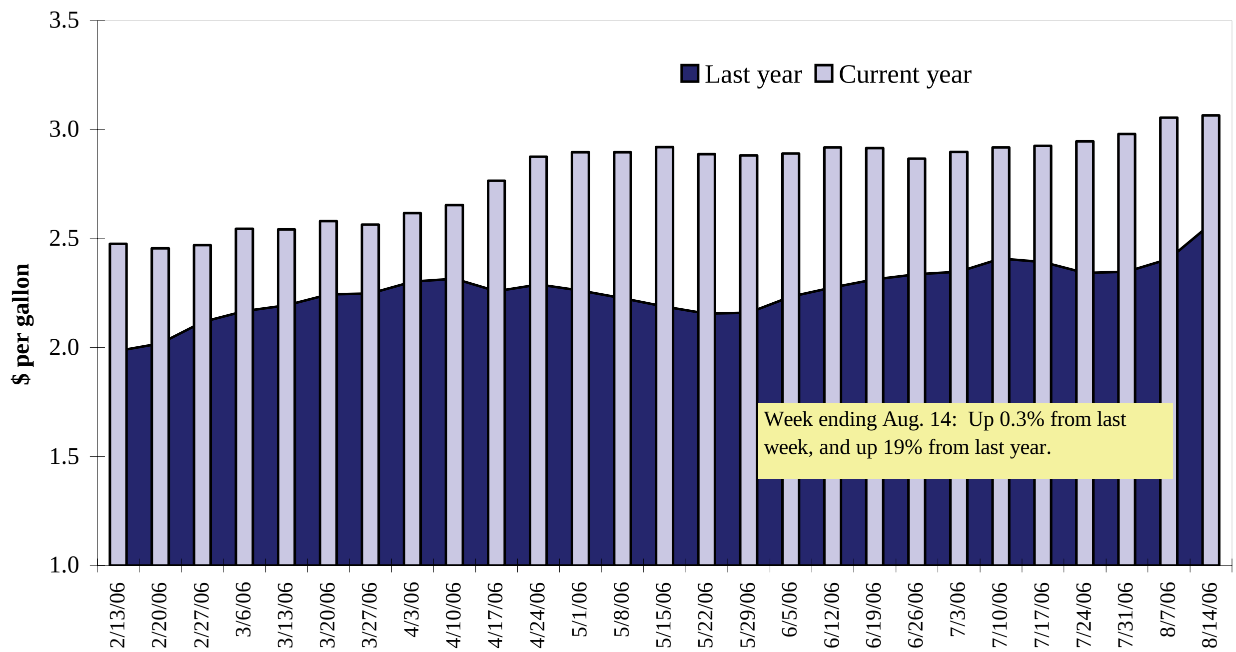
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
8/3/2006	902	437	1,097	723	293	3,451	6,961	1,662	12,074
This week year ago	2,067	332	1,200	707	145	4,450	4,609	958	10,017
Cumulative exports-crop year [2]									
2005/06 YTD	1,054	592	1,256	787	140	3,829	49,226	24,310	77,365
2004/05 YTD	1,860	402	1,416	457	133	4,267	42,337	29,330	75,934
YTD 2005/06 as % of 2004/05	57	147	89	172	105	90	116	83	102
Last 4 wks as % of same period 2004/05	46	146	87	102	194	78	159	193	126
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 08/03/06	**Total Commitments[2]**			**% change**	**Exports[3]**
	2006/07	**2005/06**	**2004/05**	**current CY**	
Crop Year (CY)	**Next CY**	**Current CY**	**Last CY**	**from last CY**	**2004/05**
		- 1,000 mt -			- 1,000 mt -
Japan	1,910	17,031	16,091	6	16,429
Mexico	393	7,145	6,043	18	6,278
Taiwan	139	5,455	4,683	16	4,690
Egypt	60	4,186	4,452	(6)	4,563
Korea	231	5,437	2,074	162	2,268
Top 5 importers	**2,733**	**39,254**	**33,342**	**18**	**32,143**
Total US corn export sales	**3,953**	**56,188**	**46,946**	**20**	
Top 5 importers' share of U.S. corn export sales	69%	70%	71%		
USDA forecast, Aug. 2006	**54,610**	**53,340**	**46,180**	**16**	
Corn Use for Ethanol USDA forecast, Aug. 2006	**54,610**	**40,640**	**33,606**	**21**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 08/03/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	1,923	9,812	11,851	(17)	11,850
Mexico	101	3,619	3,486	4	3,579
Japan	444	3,099	3,184	(3)	3,289
Taiwan	54	1,975	1,544	28	1,585
Indonesia	0	1,209	959	26	1,079
Top 5 importers	**2,522**	**19,713**	**21,023**	(6)	**21,382**
Total US soybean export sales	**3,749**	**25,972**	**30,288**	**(14)**	
Top 5 importers' share of U.S. soybean export sales	67%	76%	69%		
USDA forecast, Aug. 2006	**29,670**	**25,310**	**29,856**	**(15)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 08/03/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	825	1,339	(38)	3,098
Japan	1,041	996	4	3,061
Mexico	751	975	(23)	2,625
Iraq	0	977	(100)	1,237
Philippines	901	480	87	1,878
Egypt	466	411	13	1,952
Korea, South	359	417	(14)	1,191
Venezuela	273	257	6	1,085
Taiwan	240	227	5	953
Italy	234	236	(1)	748
Top 10 importers	**4,264**	**4,978**	**(14)**	**17,827**
Total US wheat export sales	**7,280**	**8,717**	**(16)**	
Top 10 importers' share of U.S. wheat export sales	59%	57%		
USDA forecast, Aug. 2006	**24,490**	**27,460**	**(11)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 08/10/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	182	6,624	6,074	109	102	99	10,801
Corn	332	6,596	6,414	103	110	133	10,130
Soybeans	29	2,917	3,417	85	776	672	6,225
Total	**542**	**16,137**	**15,905**	**101**	**124**	**135**	**27,156**
Mississippi Gulf							
Wheat	75	2,516	3,336	75	63	53	4,643
Corn	701	22,080	17,189	128	127	134	28,202
Soybeans	77	8,159	8,710	94	114	131	14,793
Total	**853**	**32,755**	**29,235**	**112**	**115**	**119**	**47,638**
Texas Gulf							
Wheat	61	3,659	4,267	86	36	46	7,743
Corn	27	1,430	308	464	2,571	3,734	812
Soybeans	0	27	6	470	n/a	0	36
Total	**88**	**5,116**	**4,581**	**112**	**57**	**72**	**8,591**
Great Lakes							
Wheat	30	684	957	72	81	84	2,067
Corn	70	974	265	367	1,223	393	796
Soybeans	23	62	27	227	n/a	246	828
Total	**124**	**1,720**	**1,249**	**138**	**289**	**207**	**3,691**
Atlantic							
Wheat	0	293	139	210	259	510	301
Corn	0	415	58	718	904	2,113	249
Soybeans	0	298	429	70	0	576	801
Total	**0**	**1,007**	**626**	**161**	**283**	**576**	**1,352**
U.S. total from ports[2]							
Wheat	348	13,777	14,772	93	68	71	25,556
Corn	1,130	31,496	24,234	130	135	146	40,189
Soybeans	129	11,463	12,589	91	174	191	22,683
Total	**1,608**	**56,736**	**51,596**	**110**	**121**	**122**	**88,428**

[1] Includes weekly revisions

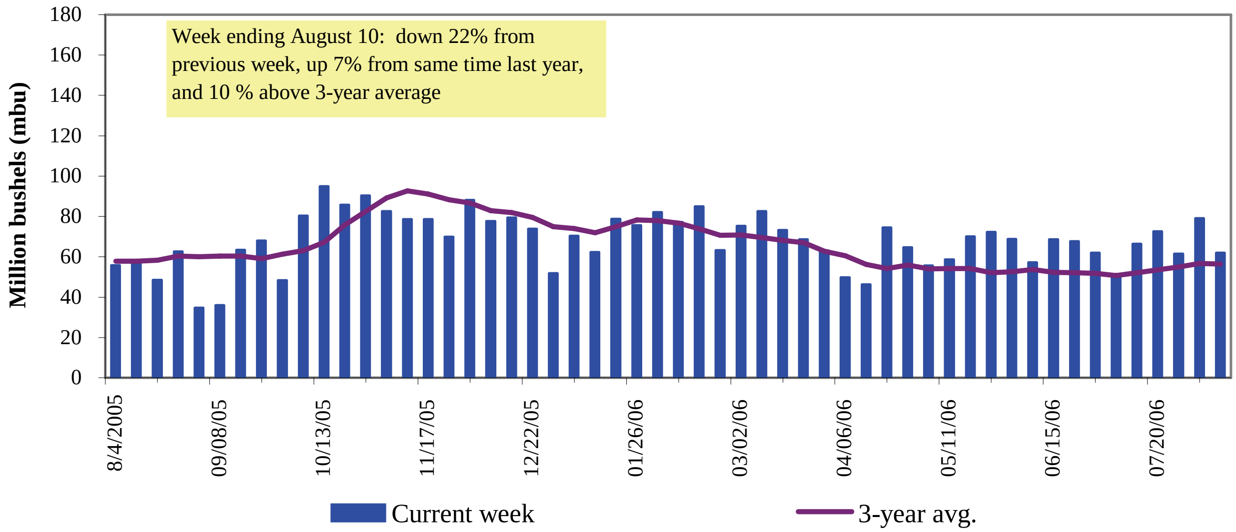
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

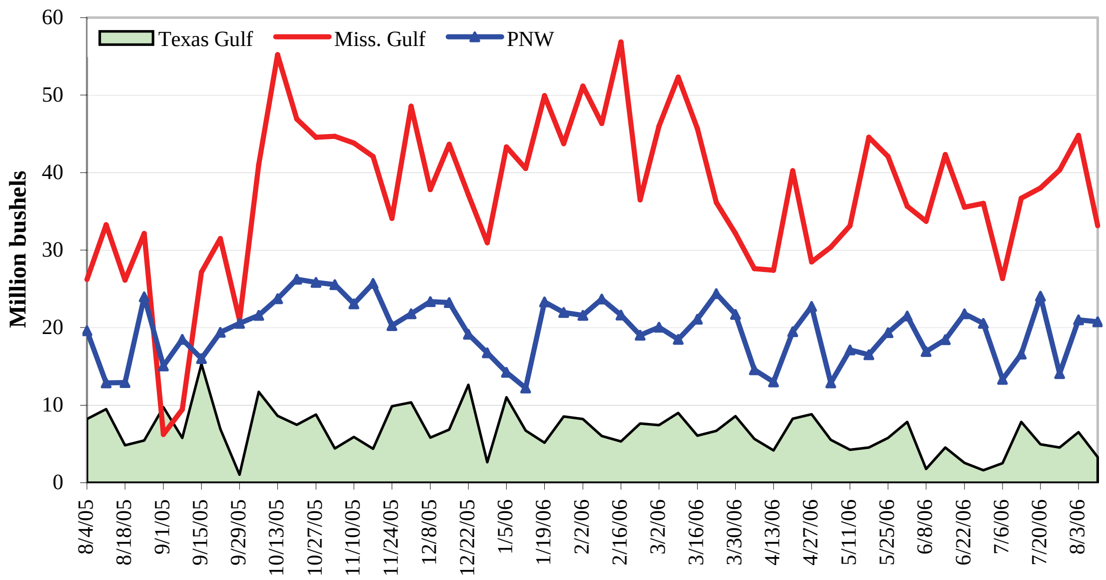


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Aug. 10, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	down 26	down 49	down 29	down 1
Last year (same week)	down 0.4	down 65	down 15	up 61
3-yr avg. (4-wk run. avg)	up 0.5	down 51	down 8	up 40

Ocean Transportation

Table 17

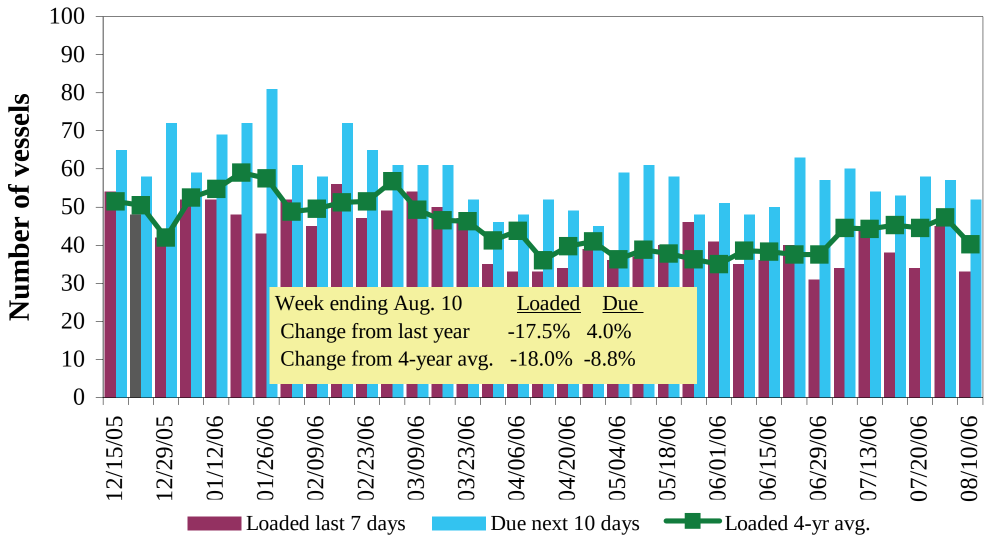
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
8/10/2006	37	33	52	4	2
8/3/2006	27	45	57	6	3
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

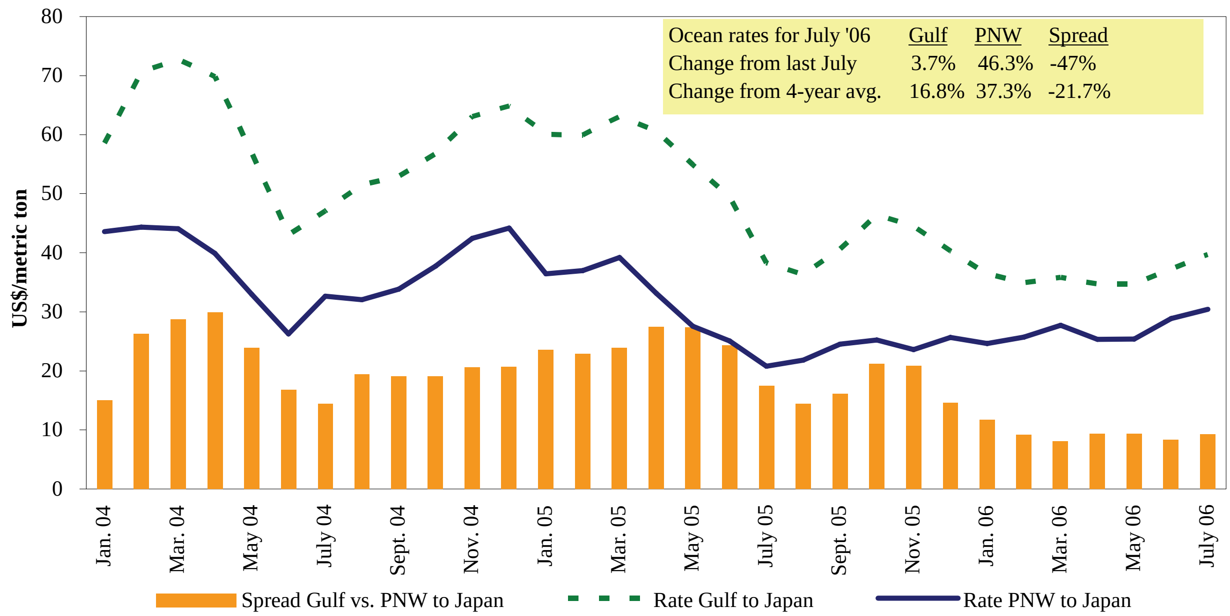
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



Source: Baltic Exchange (www.balticexchange.com)

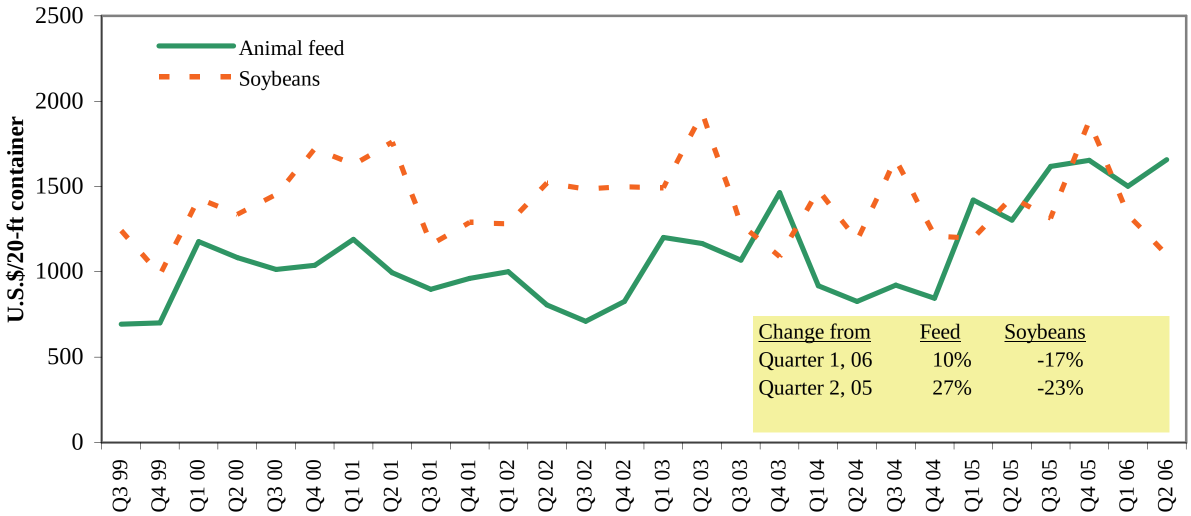
Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 8/12/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18

Ocean Rates[1] for Containerized Shipments to Selected Asian Countries



Change from	Feed	Soybeans
Quarter 1, 06	10%	-17%
Quarter 2, 05	27%	-23%

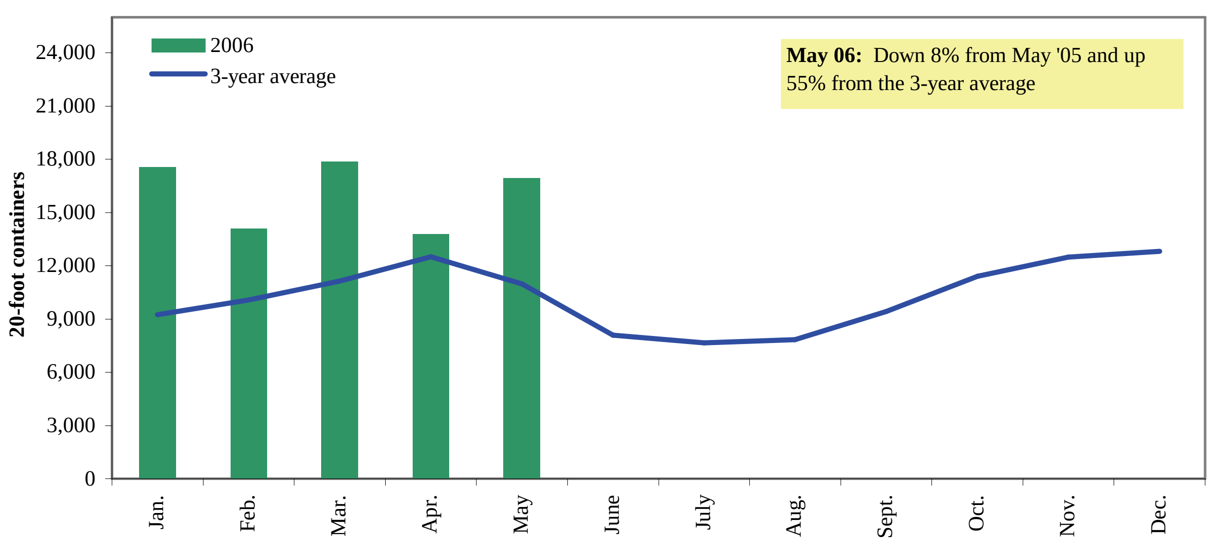
[1]Rates are weighted by shipping line market share and destination country.
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19

Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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